

State of California
Business, Transportation and Housing Agency
Department of Transportation

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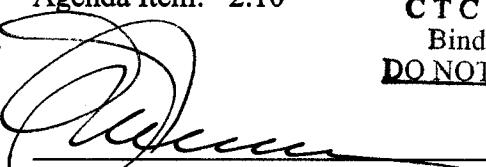
MASS TRANSPORTATION MATTERS
Pasadena Metro Blue Line Construction Authority
Action Item

CTC Meeting: July 11-12, 2001

Agenda Item: 2.10

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W. J. EVANS
Chief Financial Officer
July 1, 2001

PASADENA METRO BLUE LINE CONSTRUCTION AUTHORITY
RESOLUTION G-01- 20

ISSUE

The Pasadena Metro Blue Line Construction Authority (PMBLCA) is requesting California Transportation Commission (Commission) approval to sell real property at the Chinatown station site and use the proceeds to complete construction of the Pasadena Metro Blue Line's original scope of work for purposes related to Phase I of the project. The Chinatown property was purchased with 50% State Proposition 108 funds and 50% local Proposition A sales tax funds.

RECOMMENDATION

The Department of Transportation (Department) recommends that the Commission approve the sale of the Chinatown property based on:

- Bond counsel findings that the sale does not jeopardize the tax-exempt status of State Proposition 108 bonds;
- PMBLCA agreement with the Department that all terms and conditions of the prior Fund Transfer Agreement apply to the sale proceeds; and
- PMBLCA documentation (monthly invoicing) that property sale proceeds will be used for original Pasadena Metro Blue Line Phase I scope of work elements by March 31, 2003.

BACKGROUND

This is the second time PMBLCA has requested approval to sell a property purchased with tax-exempt bond funds. At the March 28-29, 2001 meeting, the Commission approved PMBLCA's request to sell properties at the Sierra Madre Villa and Del Mar station sites to private developers on terms similar to those in this request. The Sierra Madre Villa property had been purchased with 100% State Proposition 116 bond funds. The Del Mar property had been purchased with local funds used as part of the 100% required local match to the \$20 million State Proposition 108 bond funding for the project. The Commission approved the sale of the Sierra Madre Villa and Del Mar properties based on joint developer completion guarantees and easement agreements ensuring transit patron parking of 1000 spaces at Sierra Madre Villa and 600 spaces at Del Mar in perpetuity.

Chinatown, a very congested community in a central business district, is oriented to pedestrians and transit users. PMBLCA will sell the Chinatown property to a private developer for \$4.5 million, for an all-private street-level commercial development with a loft residential component. Transit patron parking is not planned for the property because it is not compatible with the central location of the site. The PMBLCA will not be involved in the commercial/residential development. The proceeds will be used to fund Pasadena Metro Blue Line's construction within two years, as outlined in the financial plan approved by the Commission on January 14, 1999 per STIP Amendment 98S-18B and amended on March 28-29, 2001 per Resolution MFP-00-16 (see Attachments).

PMBLCA has determined that the expected sales price reflects fair market value, with no public subsidy to the purchaser, and thus, no gift of public funds. PMBLCA also retained a real estate financial consulting firm, PCR Kotin, which analyzed four responses to a Request for Proposal; conducted an appraisal and valuation of the parcel; and confirmed that the proposed bid price reflected fair market value.

The 5-acre Chinatown site was acquired in 1990 as part of a larger \$17 million purchase (Taylor Yard, L.A. River Bridge, Union Station, etc.) from the Southern Pacific Transportation Company. No federal funds were used to acquire the Chinatown site

The Commission resolution that allocated State bond funds to the project states:

BE IT FURTHER RESOLVED, that if the Recipient receives any revenues or profits from any non-governmental use of property allowed pursuant to bond certification (whether approved at this time or hereafter approved by the State), the Recipient agrees that such revenues or profits shall be used exclusively for the public transportation services for which the project was initially approved, either for capital improvement or maintenance and operational costs. If the Recipient does not so dedicate the revenues or profits, a proportionate share shall (unless disapproved by State's bond counsel) be paid to the State equivalent to the State's percentage participation in the project.

In addition, Article VI of the Fund Transfer Agreement (the contract between the State and PMBLCA) restricted the sale of such properties and the use of proceeds, stipulating the return of the State's proportionate share of the proceeds unless the funds were used for the project or an approved replacement project with the State's concurrence.

The Department's legal counsel stated in his December 26, 2000 letter to the PMBLCA that sales of bond-funded properties could take place without jeopardizing the tax-exempt status of the bonds "as long as the proceeds were reinvested in the project, subject to formal Caltrans and CTC concurrence and the following conditions:

- That PMBLCA promptly request CTC approval of the use of the sale proceeds.
- That PMBLCA and Caltrans amend the Fund Transfer Agreement to include the new uses of the sale proceeds for Blue Line construction completion.
- That PMBLCA agree that prior Fund Transfer Agreement obligations, duties and restrictions carry over and apply to new uses of the property sale revenues."

The PMBLCA concurs with the Department's legal counsel and will abide by these conditions for the sale of the Chinatown property.

Pasadena Blue Line Project Financial Plan
(Dollars in Millions)

Funding Source	Total Project Allocation	Prior MTA reported ComExpend	Current Request	Anticipated transfer of unencumbered	FY 2000 Anticipated Allocation				FY 2000 3rd Quarter	FY 2000 4th Quarter	Allocated unexpended	Future Requests	Project Total	Funds to Complete	
					FY 2000 Total	FY 2000 Anticipated Allocation	FY 2000 1st Quarter	FY 2000 2nd Quarter						Pasadena Trans Center	Blue Line
State															
Prop 108	\$20,000	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0						\$20,000	
Prop 116	\$40,000	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0						\$40,000	
Blue Line															
Pass. Trns. Ctr.	\$99,900	\$47,800	\$83,200	\$22,100	\$105,300	\$20,537	\$12,098	\$12,098						\$174,700	\$327,800
State Highway Account	\$96,600	\$0	\$0	\$6,600	\$6,600	\$0	\$0	\$0						\$6,600	\$0
Total State	\$176,500	\$47,800	\$83,200	\$28,700	\$111,900	\$20,537	\$12,098	\$12,098						\$55,071	\$327,800
Local															
Prop C	\$136,500	\$164,216	\$69,889	\$0	\$69,889	\$0	\$0	\$0						\$69,889	\$0
Prop A															
Other MTA Local Authority	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0						\$19,111	\$19,111
Total Local	\$136,500	\$164,216	\$72,589	\$0	\$72,589	\$0								\$42,723	\$42,723
Total Federal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0						\$0	\$0
Totals	\$273,000	\$272,016	\$155,789	\$28,700	\$184,489	\$20,537	\$12,098	\$12,098						\$6,600	\$411,723

Exhibit III-2

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Pasadena Blue Line Project Financial Plan
(Dollars in Millions)

Construction Funding Source	Prior Allocation	MTA reported Com/Expend	Current Request	Anticipated transfer of unencumbered	FY 2000 Total Anticipated Allocation				FY 2000 Allocated unexpended	Future Requests	Project Total	Funds to complete	
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter				Pasadena Trans Center	Blue Line
State													
Prop 108	\$20,000	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0				\$20,000	
Prop 116	\$27,002	\$27,002	\$0	\$0	\$0	\$0	\$0	\$0				\$27,002	
Blue Line													
Pass. Tmp. Cr.	\$47,800	\$83,200	\$3,589	\$86,789	\$13,187	\$8,377	\$8,377	\$48,471	\$174,700	\$309,289	\$0	\$261,489	
State Highway Account	\$76,500	\$47,800	\$0	\$6,600	\$6,600	\$0	\$0	\$6,600	\$0	\$0	\$6,600	\$0	
Total State	\$123,502	\$94,802	\$83,200	\$10,189	\$93,389	\$13,187	\$8,377	\$8,377	\$55,071	\$174,700	\$309,289	\$0	\$261,489
Local													
Prop C	\$115,725	\$143,441	\$69,889	\$0	\$69,889	\$0	\$0	\$0	\$69,889	\$0	\$213,330	\$0	\$69,889
Prop A			\$0	\$0	\$0				\$0		\$0		\$0
One MTA local Authority	\$0	\$0	\$0	\$0	\$0				\$0	\$19,111	\$19,111		\$19,111
Total Local	\$115,725	\$143,441	\$72,589	\$0	\$72,589				\$2,700	\$40,023	\$42,723	\$0	\$42,723
Total Federal		\$0	\$0	\$0	\$0				\$72,589	\$59,134	\$275,164		\$131,723
Totals	\$239,227	\$238,243	\$155,789	\$10,189	\$165,978	\$13,187	\$8,377	\$8,377	\$127,660	\$233,834	\$651,455	\$6,600	\$393,212

Exhibit III-2

287,801

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285,921

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Pasadena Blue Line Project Financial Plan
(Dollars in Millions)

Right of Way Funding Source	Prior Allocation	MTA reported Com/Expend	Current Request	Anticipated transfer of unencumbered	FY 2000 Total	FY 2000	FY 2000	FY 2000	FY 2000	Funds to complete			
				Anticipated Allocation	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	unexpended	Requests	Total	Pasadena Trans Center	Blue Line
State	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Prop 108	\$12,998	\$12,998	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Prop 116													
Blue Line	\$0	\$0	\$0	\$18,511	\$18,511	\$7,350	\$3,720	\$3,720	\$0	\$0	\$18,511	\$0	\$18,511
Pas. Imp. Cr.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State Highway Account	\$0	\$0	\$0	\$18,511	\$18,511	\$7,350	\$3,720	\$3,720	\$0	\$0	\$18,511	\$0	\$18,511
Total State	\$12,998	\$12,998	\$0	\$18,511	\$18,511	\$7,350	\$3,720	\$3,720	\$0	\$0	\$31,509	\$0	\$31,509
Local													
Prop C	\$20,775	\$20,775	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,775	\$0	\$20,775
Prop A			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Other MTA local Authority	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Local	\$20,775	\$20,775	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,775	\$0	\$20,775
Total Federal	-	\$0	-	-	-	-	-	-	-	-	-		
Totals	\$33,773	\$33,773	\$0	\$18,511	\$18,511	\$7,350	\$3,720	\$3,720	\$0	\$0	\$52,284	\$0	\$18,511

Vehicles Funding Source	Prior Allocation	MTA reported Com/Expend	Current Request	Anticipated transfer of unencumbered	FY 2000 Total	FY 2000	FY 2000	FY 2000	FY 2000	Funds to complete			
				Anticipated Allocation	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	unexpended	Requests	Total	Pasadena Trans Center	Blue Line
Totals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Exhibit III-2

Pasadena Blue Line Total Project Costs (March 2001)

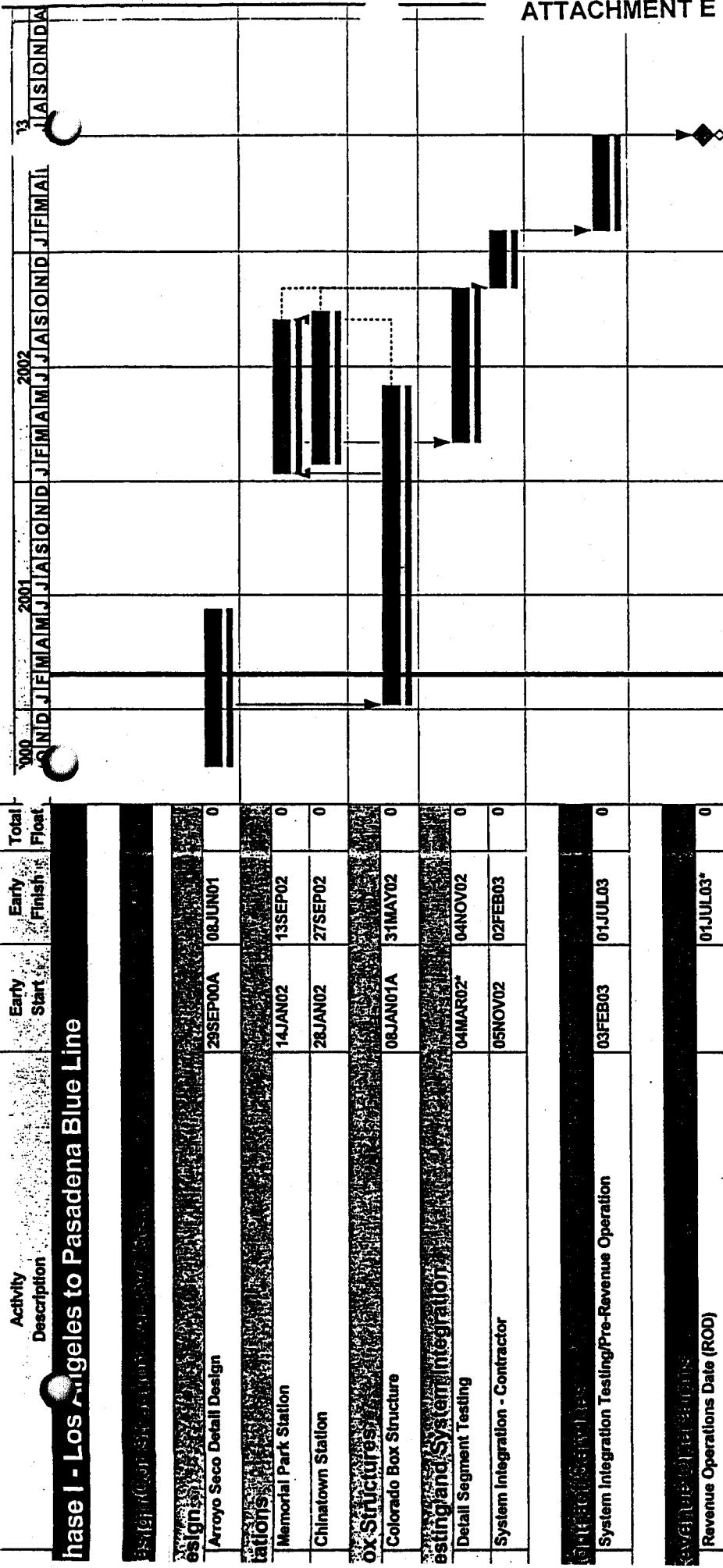
Total Project - Funding Source	Initial Project Cost (Including MTA & Pas Trans Ctr)	Com / Expend by MTA	Original Authority Cost Financial Plan	Revised Total Project Cost (Including MTA & Pas Trans)	Revised Com / Expend by MTA	Revised Authority Cost to Complete Project
State Funds						
Prop 108	\$20,000	\$20,000	\$0	\$20,000	\$20,000	\$0
Prop 116	\$40,000	\$40,000	\$0	\$40,000	\$40,000	\$0
State Highway Account	\$316,733	\$36,733	\$280,000	\$319,837	\$418,19	\$273,018
TP & D Funds	\$8,400	\$8,400	\$0	\$8,400	\$8,400	\$0
Pas. Transportation Ctr.	\$6,600	\$0	\$0	\$6,600	\$6,600	\$0
TCRP	\$0	\$0	\$0	\$0	\$0	\$0
Total State Funds	\$391,733	\$105,133	\$280,000	\$434,837	\$110,219	\$326,615
Local Funds						
Proposition C-25% Transit	\$194,691	\$124,569	\$70,122	\$194,691	\$124,569	\$70,000
Proposition C-40% Unrestricted	\$18,878	\$0	\$18,878	\$18,878	\$0	\$18,000
Proposition A	\$42,314	\$42,314	\$0	\$42,314	\$42,314	\$0
City of Pasadena	\$4,800	\$0	\$0	\$4,800	\$0	\$0
Joint Development/Parking Revenues	\$23,250	\$0	\$23,350	\$23,250	\$0	\$22,250
Other Authority	\$19,473	\$0	\$0	\$19,473	\$0	\$0
Total Local Funds	\$303,406	\$166,883	\$112,350	\$290,943	\$176,761	\$114,182
Total Project Costs	\$695,139	\$272,016	\$392,350	\$725,780	\$286,960	\$438,800

FINANCIAL PLAN

	Original Financial Plan 07/26/99	Revision 1 09/27/00	Revision 2 01/24/01
REVENUES			
MTA	\$89.0	\$79.0	\$79.0
CTC	\$280.0	\$280.0	\$278.0
State Surplus (TCRP)	\$0.0	\$40.0	\$40.0
MTA Call for Projects	\$1.7	\$0.0	\$0.0
Rental & Lease	\$0.0	\$0.7	\$0.7
Joint Development/Parking	\$23.1	\$24.9	\$24.9
Fiber Optics	\$18.0	\$0.0	\$0.0
Cost Reimbursement	\$0.0	\$0.1	\$0.1
Naming Rights	\$0.0	TBD	TBD
Sale of Surplus Assets	\$0.0	\$1.0	\$1.0
Interest Income	\$0.0	\$6.5	\$8.5
Pasadena Trans. Center	\$0.0	\$6.6	\$6.6
Total Cost to Complete Revenues	\$411.7	438.8	438.8
Expenditures			
Utility Relocation	\$10.9	\$11.4	\$11.4
Hazardous & Environ.	\$8.5	\$9.5	\$8.5
Special Programs	\$3.4	\$3.9	\$4.4
Procurement	\$8.9	\$6.3	\$6.0
Construction	\$289.4	\$312.0	\$310.2
Testing & Startup	\$5.7	\$5.7	\$5.0
Project Reserve	\$31.4	\$31.4	\$31.4
Total Cost to Complete Expenses	\$411.7	\$438.8	\$438.8

ATTACHMENT E

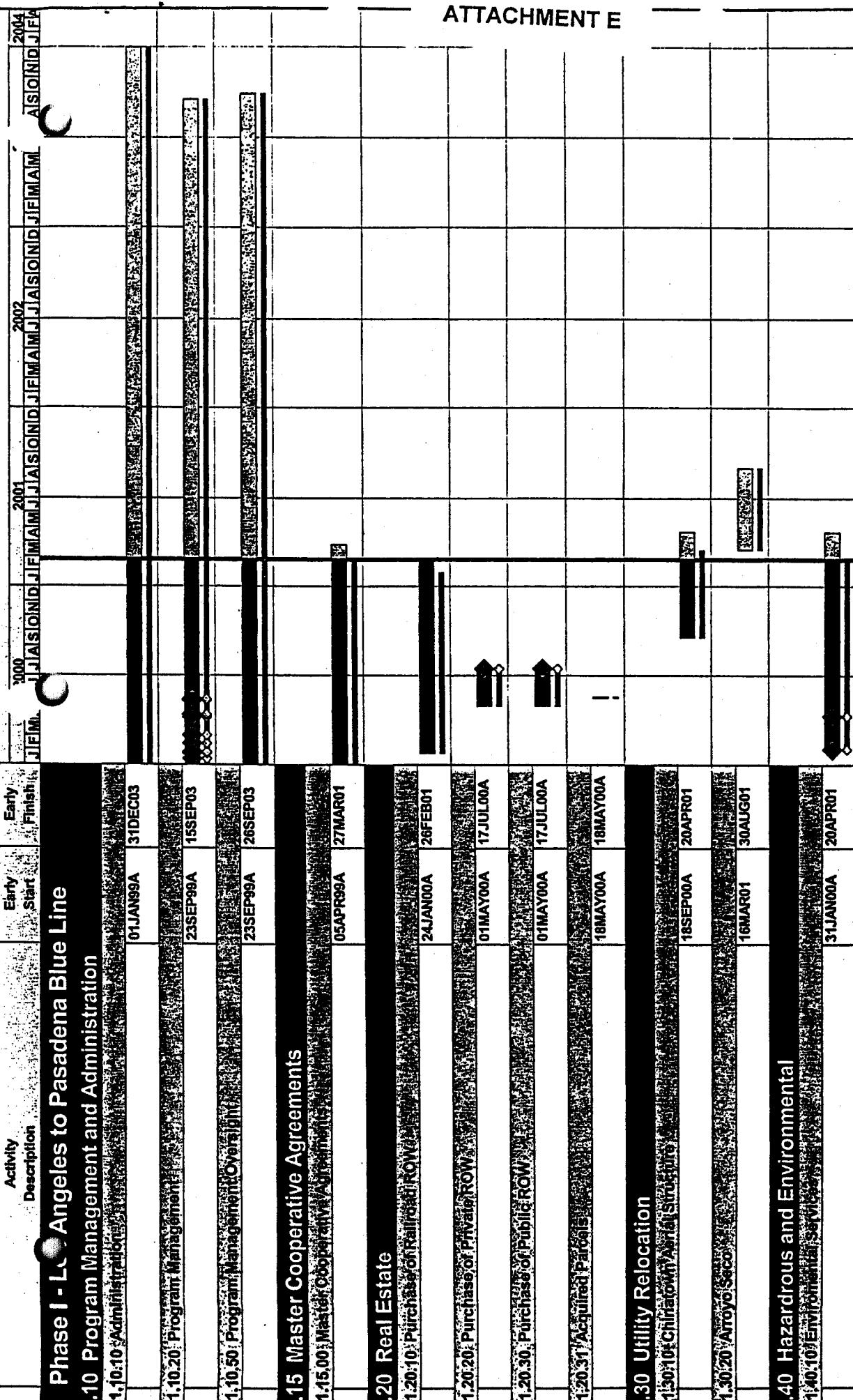
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Sheet 1 of 1	PASADENA BLUE LINE
LOS ANGELES TO PASADENA METRO BLUE LINE CONSTRUCTION AUTHORITY	LIGHT RAIL PROJECT
February 2001 Master Schedule Update	CRITICAL PATH

ATTACHMENT E

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**PASADENA BLUE LINE
LIGHT RAIL PROJECT
February 2001 Master Schedule Update**

PASADENA BLUE LINE

Sheet 1 of 2

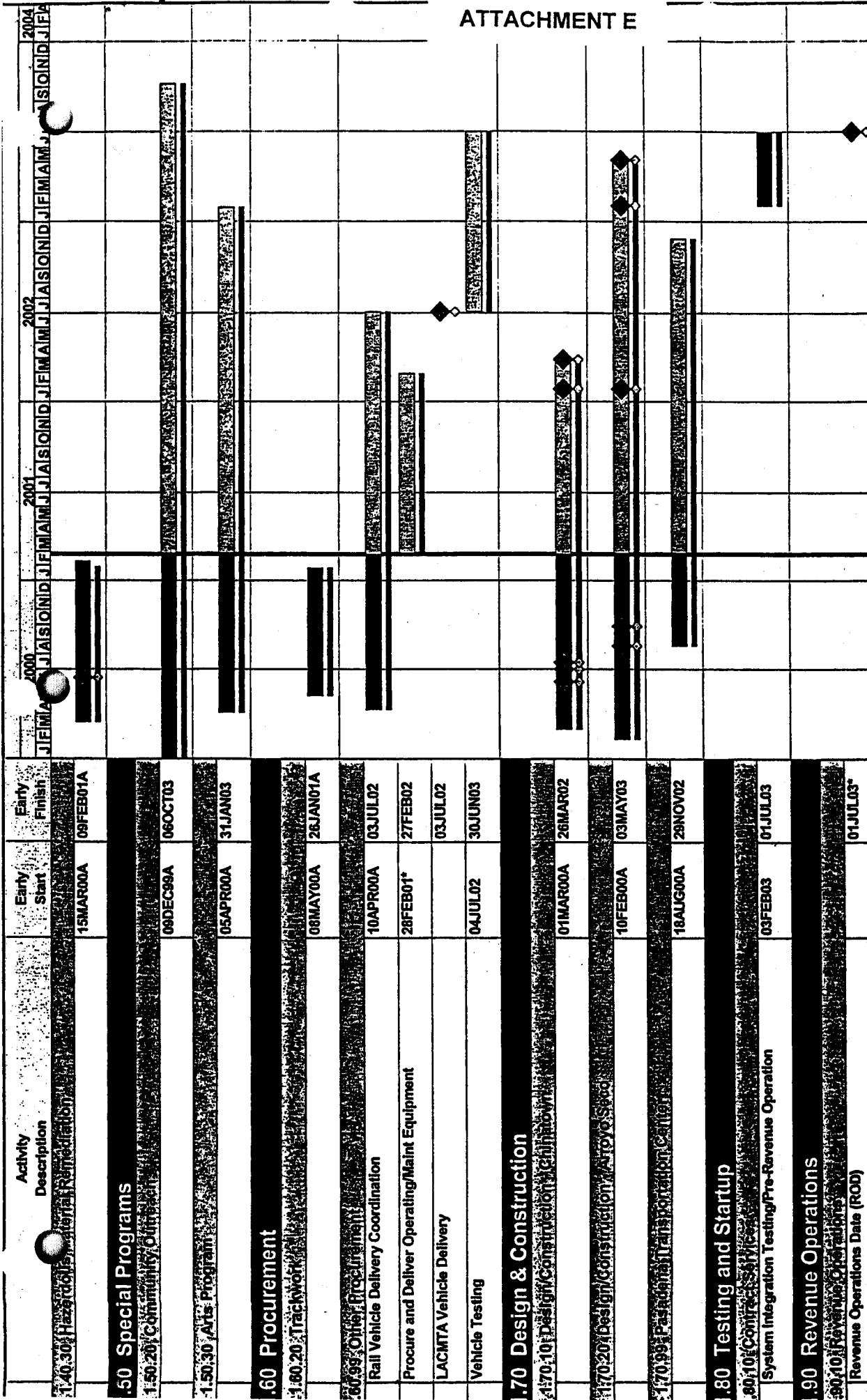
**LOS ANGELES TO
PASADENA METRO BLUE
LINE CONSTRUCTION
AUTHORITY**

LEVEL 3 SCHEDULE

Start Date	01JAN99	Early Bar	0102	PASADENA BLUE LINE
Date Date	24FEB01	Target Bar - 0101		LIGHT RAIL PROJECT
Run Date	04APR01 16:18	Progress Bar		February 2001 Master Schedule Update
		Critical Activity		

ATTACHMENT E

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**LOS ANGELES TO
PASADENA METRO BLUE
LINE CONSTRUCTION
AUTHORITY**

0102	Early Bar	Target Bar - 0101	Progress Bar	Critical Activity
01JAN99 24FEB01 1APR01 16:18				

Start Date
Data Date
Run Date